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DEPARTMENT OF DEFENSE

GENERAL SERVICES ADMINISTRATION

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

[OMB Control No. 9000-0129]

[Docket 2012-0076; Sequence 56]

Federal Acquisition Regulation;

Submission for OMB Review; Cost Accounting

Standards Administration

AGENCIES: Department of Defense (DOD), General Services Administration (GSA), and National Aeronautics and Space Administration (NASA).

ACTION: Notice of request for comments regarding an extension to an existing OMB clearance.

SUMMARY: Under the provisions of the Paperwork Reduction Act, the Regulatory Secretariat will be submitting to the Office of Management and Budget (OMB) a request to review and approve an extension of a previously approved information collection requirement concerning cost accounting standards administration. A notice was published in the Federal Register at 77 FR 69441, on November 19, 2012. Two respondents submitted comments.

DATES: Submit comments on or before **[Insert date 30 days after publication in the Federal Register]**.

ADDRESSES: Submit comments identified by **Information Collection 9000-0129, Cost Accounting Standards**

Administration by any of the following methods:

- Regulations.gov: <http://www.regulations.gov>.

Submit comments via the Federal eRulemaking portal by searching the OMB control number. Select the link "Submit a Comment" that corresponds with "Information Collection 9000-0129, Cost Accounting Standards Administration". Follow the instructions provided at the "Submit a Comment" screen. Please include your name, company name (if any), and "Information Collection 9000-0129, Cost Accounting Standards Administration" on your attached document.

- Fax: 202-501-4067.
- Mail: General Services Administration, Regulatory Secretariat (MVCB), 1275 First Street, NE, Washington, DC 20417. ATTN: Hada Flowers/IC 9000-0129, Cost Accounting Standards Administration.

Instructions: Please submit comments only and cite Information Collection 9000-0129, Cost Accounting Standards Administration, in all correspondence related to this collection. All comments received will be posted without change to <http://www.regulations.gov>, including any personal and/or business confidential information provided.

FOR FURTHER INFORMATION CONTACT: Mr. Edward N. Chambers,
Procurement Analyst, Office of Acquisition Policy, GSA,
(202) 501-3221 or email a edward.chambers@gsa.gov.

SUPPLEMENTARY INFORMATION:

A. Purpose

FAR Subpart 30.6 and the provision at 52.230-6 include pertinent rules and regulations related to the Cost Accounting Standards (CAS) along with necessary administrative policies and procedures. These administrative policies require certain contractors to submit cost impact estimates and descriptions in cost accounting practices and also to provide information on CAS-covered subcontractors. Specifically, FAR 52.230-6 requires contractors to submit to the cognizant Contracting Officer a description of any cost accounting practice change, the total potential impact of the change on contracts containing a CAS provision, a general dollar magnitude or detailed cost-impact proposal of the change which identifies the potential shift of costs between CAS-covered contracts by contract type (i.e., firm fixed-price, incentive cost-plus-fixed-fee, etc.) and other contractor business activity.

B. Discussion and Analysis

Two respondents submitted public comments on the extension of the previously approved information collection. The analysis of the public comments is summarized as follows:

Respondent One:

Respondent one offered a single comment.

Comment: The purpose of this standard is to require that each type of cost is allocated only once and on only one basis to any contract or other cost objective. Provide measures of cost effectiveness within the activity. This may be accomplished by relating performance costs to standard costs or cost estimates by established cost centers and by end-product with development of appropriate analyses of cost variances.

Response: This comment concerned the purpose of the cost accounting principles and not the burden of reporting on the application of these standards.

Respondent Two:

Respondent two offered the following comments:

Comment: The respondent commented that the extension of the information collection would violate the fundamental purposes of the Paperwork Reduction Act because of the

burden it puts on the entity submitting the information and the agency collecting the information.

Response: In accordance with the Paperwork Reduction Act (PRA), agencies can request OMB approval of an existing information collection. The PRA requires that agencies use the Federal Register notice and comment process, to extend OMB's approval, at least every three years. This extension, to a previously approved information collection, pertains to FAR clause 52.230-6. This clause requires certain contractors to submit cost impact estimates and descriptions in cost accounting practices and also to provide information on CAS-covered subcontractors when making changes to their cost accounting practices. Without this information, the Government would be unable to approve changes to contractors cost accounting practices, resulting in the disallowance of contractor charges to contracts. This clause has existed substantially the same since the inception of the FAR.

Comment: The respondent commented that the agency did not accurately estimate the public burden challenging that the agency's methodology for calculating it is insufficient and inadequate and does not reflect the total burden. The

respondent questioned the basis for the estimated number of responses per respondent of 2.27. The respondent also stated that the estimate of 175 hours per response per respondent is understated, and that the actual burden is at least 12 times that, but more likely 24 to 48 times this estimate. For this reason, the respondent provided that the agency should reassess the estimated total burden hours and revise the estimate upwards to be more accurate, as was done in FAR Case 2007-006. The same respondent also provided that the burden of compliance with the information collection requirement outweighs any potential utility of the extension.

Response: Serious consideration is given, during the open comment period, to all comments received and adjustments are made to the paperwork burden estimate based on reasonable considerations provided by the public. This is evidenced, as the respondent notes, in FAR Case 2007-006 where an adjustment was made from the total preparation hours from three to 60. This change was made considering particularly the hours that would be required for review within the company, prior to release to the Government.

The burden is prepared taking into consideration the necessary criteria in OMB guidance for estimating the

paperwork burden put on the entity submitting the information. For example, consideration is given to an entity reviewing instructions; using technology to collect, process, and disclose information; adjusting existing practices to comply with requirements; searching data sources; completing and reviewing the response; and transmitting or disclosing information. The estimated burden hours for a collection are based on an average between the hours that a simple disclosure by a very small business might require and the much higher numbers that might be required for a very complex disclosure by a major corporation. Also, the estimated burden hours should only include projected hours for those actions which a company would not undertake in the normal course of business. Careful consideration went into assessing the estimated burden hours for this collection, and although, the respondent provided estimates of responses and burden hours, the estimates cannot be confirmed with any degree of certainty to totally rely on the information.

Based on consultation with a Government subject matter expert (SME) the estimated burden of 175 hours per response is consider a reasonable average for all submissions associated with the requirements of this collection. The Government SME also confirmed that the 2.27 responses per

respondent reflects a reasonable average over the course of a year, as some contractors may not have any cost accounting practice changes while others could have up to four or five.

The estimated annual reporting burden is increased from that published in the Federal Register at 75 FR 3236, on January 20, 2010. Based on data from the Federal Procurement Data System for fiscal year 2011, an upward adjustment is made to the estimated annual reporting burden, which reflected an increase in the number of respondents. However, the estimated number of hours per response and the estimated number of responses per respondent remains unchanged based on consultation with the Government SME. At any point, members of the public may submit comments for further consideration, and are encouraged to provide data to support their request for an adjustment.

C. Annual Reporting Burden

Number of Respondents: 1,288.

Responses Per Respondent: 2.27.

Total Responses: 2,924.

Average Burden Hours Per Response: 175.00.

Total Burden Hours: 511,700.

OBTAINING COPIES OF PROPOSALS: Requesters may obtain a copy of the information collection documents from the General Services Administration, Regulatory Secretariat (MVCB), 1275 First Street, NE, Washington, DC 20417, telephone (202) 501-4755. Please cite OMB Control Number 9000-0129, Cost Accounting Standards Administration, in all correspondence.

Dated: February 21, 2013

William Clark,
Acting Director,
Federal Acquisition Policy Division,
Office of Governmentwide Acquisition Policy,
Office of Acquisition Policy,
Office of Governmentwide Policy.

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